

Accountancy Board of Ohio
State of Ohio
Board Retreat Minutes of December 7, 2022
Conference Room 1932, 19th Floor
Vern Riffe Center ~ Columbus, Ohio

The Accountancy Board of Ohio (Board) held its Retreat on December 7, 2022, at 1:00 p.m., in Room 1932, 19th floor of the Vern Riffe Center for Government and the Arts, 77 South High Street, Columbus, Ohio.

ATTENDANCE

The Accountancy Board of Ohio (Board) met in person. The following were present:

BOARD MEMBERS:

Gerald P. Weinstein, CPA, Chair
Brendan P. Fitzgerald, CPA, Vice-Chair
R. Scott Blake, Public Member, Secretary
Kenya Y. Watts, CPA, Immediate Past-Chair
Jillian S. Brown, CPA, Member
Janice L. Culver, CPA, Member
John Soucie, CPA, Member (**absent**)
Louise A. Jackson, CPA, Member (**absent**)
Megan E. Durst, CPA, Member (**absent**)

Guests:

Laura Hay, Executive Vice President, Ohio Society of Certified Public Accountants (OSCPA)

CALL TO ORDER

Mr. Weinstein called the meeting to order at 1:22 p.m. and welcomed guests in the audience.

ISSUES UNDER DISCUSSION

NASBA Annual meeting Updates from John Patterson and Gerald Weinstein who discussed the issue of 'Principal Place of Business' and the 'Retirement Status' terminology.

Approval of the 2023 Board Meeting Dates

Only one request was made to change the April 28 meeting to Friday, May 12, 2023. Mr. Blake made a motion to accept the 2023 meeting dates. The motion was seconded by Ms. Culver.

A voice vote occurred.

The motion passed, 6-0.

Statute & Rule Discussion

Discussion of the Firm registration fees for new and renewal of firm licenses was discussed.
Statute Change request for Permit fees to be set by rule.

Executive Session to discuss employment of a public employee – roll call vote.

Adjournment 3:00 p.m.

Accountancy Board of Ohio
State of Ohio
Public Meeting Minutes of December 8, 2022
Conference Room 1948, 19th Floor
Vern Riffe Center ~ Columbus, Ohio

The Accountancy Board of Ohio (Board) held a meeting on Thursday, December 8, 2022, at 9:00 am in Conference Room 1948, 19th Floor, Vern Riffe Center in Columbus, Ohio.

ATTENDANCE

The Accountancy Board of Ohio (Board) met in person. The meeting was also broadcasted via Microsoft Teams. The following were present:

BOARD MEMBERS:

Gerald P. Weinstein, CPA, Chair
Brendan P. Fitzgerald, CPA, Vice-Chair
Richard (Scott) Blake, Public Member, Secretary
Kenya Y. Watts, CPA, Immediate Past-Chair
John Soucie, CPA, Member
Jillian S. Brown, CPA, Member
Janice L. Culver, CPA, Member
Louise A. Jackson, CPA, Member (**absent**)
Megan E. Durst, CPA, Member (**absent**)

BOARD STAFF:

John E. Patterson, Executive Director
Tracey F. Fithen, Assistant Executive Director
Donna M. Oklok, Investigations Supervisor
Charlene Nortey, Investigator
Rikki Johnson, Information Requests, License Verifications
Eythan J. Gregory, Esq, Ohio Assistant Attorney General

GUESTS:

Ken Bishop, National Association of State Boards of Accounting (NASBA) President and CEO

Thomas Kenny, Director of Communications, NASBA

Rick Reisig, CPA, NASBA Chair (Virtual)

W. Michael Fritz, CPA, past Board Chair, Past NASBA Chair

Lori Brown, Ohio CPA Foundation

Bob Fay, CPA, past Board Chair, Ohio CPA Foundation (Virtual)

Laura Hay, Executive Vice-President, Ohio Society of CPAs (OSCPA)

Michael Guinigundo, past Board Chair

CALL TO ORDER

Mr. Weinstein called the meeting to order at 9:01 a.m. and welcomed the guests in the audience. The Pledge of Allegiance was recited.

PRESENTATIONS

Report from NASBA President and CEO, Ken Bishop

Mr. Bishop thanked the Board for their hospitality and acknowledged the NASBA executive Board consists of four representatives from the Ohio board.

The new CPA Examination is set to launch in 2024, on time.

Anti-regulatory threats and legislative anti-regulation bills remain a high priority. NASBA's government advocacy section has worked with state legislators and has been almost 100% successful in avoiding harmful legislation.

NASBA is working with the American Institute of Certified Public Accountants (AICPA) to create tools that can be used by the states, to increase the number of individuals who become CPAs. The goal is to provide deliverables from the AICPA and NASBA.

NASBA is attempting to attract individuals from diverse backgrounds. Individuals of Latin origin, specifically Mexico, are becoming a third of the population in the United States. Data shows individuals from Mexico are attracted to the accounting profession but are not becoming CPAs. NASBA has observed the opportunity to recruit and assist Latino students to enter the profession.

As of January, NASBA meetings are being held in-person, with a virtual option for those who are not able to attend in person.

Mr. Bishop stated NASBA has seen a decrease in revenue due to fewer CPA Exam candidates. However, NASBA is committed to financing and prioritizing state spending. There has been a decline in revenue, but there has been an increase on providing funding to state boards.

NASBA has several senior leaders who are planning to retire soon. NASBA is working to implement a smooth transition during this time.

Report from NASBA Chair, Rick Reisig, CPA (Virtual)

Mr. Reisig reported there is a task force to create ideas for the states to increase recruitment.

CPA Evolution and anti-regulation are current priorities. NASBA is identifying industry needs and preparing students for the exam.

Mr. Reisig stated that his firm, like many others, is planning for staff shortages and outsourcing work to other firms, due to the shortage of CPAs and staff.

Mr. Reisig noted it is important to consider potential employee shortages, as NASBA, the states and the profession work on upcoming action items.

Mr. Blake asked a question pertaining to regulatory reform. Mr. Bishop stated that NASBA is currently working with the American Legislative Exchange Council (ALEC), so there is input pertaining to the public protection aspect ahead of bills being introduced. NASBA has been active with the introduction of legislation but are also respectful of the positions of state boards.

Mr. Fitzgerald asked a question pertaining to the timeline of CPA Evolution. Mr. Bishop reported CPA Evolution rollout is ahead of the schedule. The biggest challenge pertaining to CPA Evolution is security. The CPA exam will be implemented on time.

Ohio CPA Foundation Presentation from Bob Fay, CPA, Past-Board Chair

Mr. Fay discussed current issues of the CPA profession in Ohio, including diversity initiatives.

Efforts of the Ohio CPA Foundation revolve around universities in Ohio.

Undergraduate enrollment has declined 6.6% across all majors. 40% of accounting graduates sit for the CPA exam and there is an effort to increase these figures.

Fifty-four percent of accounting faculty have reported a decline in enrollment. The AICPA 2021 Trend Report also documented a decline in enrollment.

The Ohio CPA Foundation offers free OSCP membership to students, to maintain engagement and motivation. The number of student members is increasing.

Regarding the demographics of student membership, most members are men. African American enrollment in Ohio is higher than the national average.

The foundation is implementing a strategy to catch, engage and encourage students. Accounting Careers Awareness Program (ACAP) ambassadors and high school programs are contacting as many students as possible. The goal for 2022 and 2023 is 1,355 attendees.

CPA Camp will take place in Dayton, Ohio in 2023. The Camp has been virtual since 2020, however, it will be live with OSCP at The Ohio State University, June 11 through June 13, 2023.

The Ohio CPA Foundation continues to engage with universities and reach out to as many students as possible.

The foundation has also received many donations and sponsorships throughout the year. Mr. Fay requested the Board to renew its financial commitment of \$50,000.

The Board asked questions and there was a discussion about student enrollment and outcomes around the number of attendees who ultimately sit for the CPA Exam and become CPAs. Ms. Brown, Director of Partner Development with the Ohio CPA Foundation, stated that this information is being better collected and that the Foundation could provide this information to the Board. Mr. Blake commented that this information is important to understand the impact of these programs in achieving their stated goals.

Ms. Watts made a motion to renew the Board's commitment of \$50,000 to the Ohio CPA Foundation, in support of student diversity, equity and inclusion programs. The motion was seconded by Mr. Fitzgerald.

A voice vote occurred.

The motion passed, 7-0.

FORMAL HEARINGS

FORMAL HEARING: Ronald Komorowski / R.M. Komorowski Jr., Inc. (CASE NO: 2022-0637)

Mr. Weinstein opened a disciplinary hearing at 10:00 am, pursuant to Chapter 119 of the Revised Code. Mr. Komorowski did not request a hearing and he was in attendance.

Mr. Gregory made an opening statement.

Mr. Gregory called Board Investigator, Sarah Sarnowski, to testify to the accuracy of the records of the Board. Mr. Gregory then introduced State's Exhibit: Exhibit A, pages 1-37.

Ms. Sarnowski was questioned by the Board.

The Board members discussed the continuance process.

Mr. Gregory made a closing statement.

The Board admitted all exhibits into evidence.

FORMAL HEARING: Charlotte Kitchen/ Kitchen Tax and Accounting Services (CASE NO: 2022-10302)

Mr. Weinstein opened a formal disciplinary hearing at 10:20 am, pursuant to Chapter 119 of the Revised Code. Ms. Kitchen did not request a hearing but was in attendance virtually via Teams audio.

Mr. Gregory made an opening statement.

Mr. Gregory called Board Investigator, Sarah Sarnowski, to testify to the accuracy of the records of the Board. Mr. Gregory then introduced State's Exhibit: Exhibit A, pages 1-28.

Ms. Sarnowski was questioned by the Board.

The Board admitted all exhibits into evidence.

REQUEST FOR WAIVER

Michelle A. Hostetler, CPA

Ms. Hostetler requested a waiver of the \$130 CPE non-compliance fine, due to not renewing her permit before the renewal deadline.

REQUEST FOR RECONSIDERATION

Austin Hull (CPA Exam Extension)

Mr. Hull requested an extension for the CPA exam, due to his workload and job changes requiring him to move twice.

QUASI-JUDICIAL DELIBERATIONS

Mr. Weinstein introduced a motion to enter quasi-judicial deliberations to discuss the formal disciplinary hearings, the request for waiver and the request for consideration. This motion was seconded by Ms. Watts. A voice vote occurred, and the motion passed 7-0. After discussion, the Board returned to general session.

HEARING DECISIONS

Ronald Komorowski / R.M. Komorowski Jr., Inc. (CASE NO: 2022-0637)

Upon the motion by Mr. Blake and seconded by Ms. Brown, the Board voted to revoke the CPA certificate of Ronald M. Komorowski and the firm registration of R.M. Komorowski Jr., Inc.

A roll call vote occurred.

Motion carried, 7-0.

Charlotte Kitchen / Kitchen Tax and Accounting Services (CASE NO: 2022-10302)

Upon the motion by Mr. Blake and seconded by Mr. Soucie, the Board voted to revoke the CPA certificate of Charlotte Kitchen and the firm registration of Kitchen Tax and Accounting Services.

A roll call vote occurred.

Motion carried, 7-0.

REQUEST FOR WAIVER DECISION

Upon the motion by Mr. Blake and seconded by Ms. Brown, the Board voted to deny the waiver request of Michelle A. Hostetler.

A roll call vote occurred.

Motion carried, 7-0.

REQUEST FOR CONSIDERATION DECISION

Upon the motion by Mr. Blake and seconded by Ms. Brown, the Board voted to take no action on the request for consideration submitted by Austin Hull.

A roll call vote occurred.

Motion carried, 7-0.

EXECUTIVE DIRECTOR'S REPORT

Mr. Patterson discussed moving forward with having the ability to potentially raise fees. Mr. Patterson asked Ms. Fithen and Ms. Oklok to speak with Laura Hay and Barb Benton at OSPCA, to create a plan to implement this capacity.

Mr. Patterson would like Barb Benton to speak with Representative Bill Roemer, who is a CPA, to get his perspective.

INFORMATION REPORTS AND UPDATES

Budget/Financial

No changes.

Education Assistance Report and Update

None.

Rules Update

None.

Investigations/CPE Verification/Attest Firms

Ms. Oklok stated there remain 26 peer review firms which have not renewed their firm registrations. These firms have been issued cease and desist notices. Field calls will be planned to ensure the firms are adhering to the cease-and-desist notices. If the firms do not complete peer reviews on or before February 1, 2023, board hearings will be scheduled.

OLD BUSINESS

Status of Past Hearings

None

NEW BUSINESS

There was a brief discussion on when to vote on the new rule(s).

APPROVAL OF THE OCTOBER 21, 2022, BOARD MEETING MINUTES

Ms. Culver moved to approve the October 21, 2022 Board meeting minutes which were seconded by Mr. Blake.

A roll call vote occurred.

Motion carried 6-0, with one abstention.

CHAIRS REPORT

Mr. Weinstein reported the 2023 NASBA Eastern Region Conference may take place the week prior to Memorial Day. The location has not been finalized.

PASSING OF THE GAVEL

Mr. Weinstein provided remarks on his experience as Board chair and passed the gavel to Mr. Fitzgerald.

Mr. Fitzgerald gave remarks.

Mr. Fitzgerald presented a Past Chair plaque to Mr. Weinstein.

Mr. Fitzgerald presented a 'Distinguished Service Award' to Ms. Watts.

Ms. Watts gave remarks as outgoing Past Chair.

Board members spoke of Mr. Soucie, who recently retired from his role at Grant Thornton.

ADJOURNMENT

Mr. Fitzgerald made a motion to adjourn, which was seconded by Ms. Watts. The Board voted to adjourn at 12:20pm.

Motion carried 7-0.

GERALD P. WEINSTEIN, CHAIR

R. SCOTT BLAKE, SECRETARY